

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Express Mail
Express Mail Contract 14

Docket No. MC2013-41

Competitive Product Prices
Express Mail Contract 14 (MC2013-41)
Negotiated Service Agreement

Docket No. CP2013-53

PUBLIC REPRESENTATIVE COMMENTS
(March 4, 2013)

I. BACKGROUND

In response to Order No. 1666, the Public Representative hereby comments on the proposal of United States Postal Service (USPS or Postal Service) the Postal to add Express Mail Contract 14 to the competitive product list.¹ The Postal Service proposes to enter into a negotiated service agreement Express Mail Services to a contract partner. It asserts the contract contribute more than 5.5 percent to covering the Postal Service's institutional costs, which is the minimal requirement for all complete products taken as a whole. If this claim comes to fruition, the contract will have increased the

¹ Request of the United States Postal Service to Add Express Mail Contract 14 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision, Contract, and Supporting Data, February 21, 2013 (Request).

percentage contribution of competitive products, as-a-group, make towards the recovery of the institutional costs of the Postal Service. The contract will be in effect for 3 years from the effective date unless, among other things, either party terminates the agreement upon 30 days' written notice to the other party. *Id.* The Postal Service also represents that the contract is consistent with 39 U.S.C. 3633(a). *Id.* Attachment E.

II. COMMENTS

The Public Representative has examined the contract and supporting materials filed by the Postal Service. It agrees that the contract should yield cost coverage greater than 105 percent, thereby improving the financial condition of the Postal Service and ratepayers in general. The supporting materials also show that the contract partner would pay discounted prices for the profile of Express Mail it normally sends, thereby benefitting the contract partner as well.

III. CONCLUSION

After reviewing the financial information and other materials the Postal Service submitted under seal in this case, the Public Representative concludes that Express Mail Contract 14 comports with the relevant provisions of title 39 and should be approved.

Respectfully submitted,

_____/s
Lawrence Fenster
Public Representative for
Docket Nos. MC2013-41 & CP2013-53